

FISCAL NOTE
SB 3389 - HB 3947

March 25, 2006

SUMMARY OF BILL: Creates a new Class A misdemeanor to knowingly violate the privacy protection for individually identifiable health information. Creates a new Class E felony offense to knowingly violate the privacy protection for individually identifiable health information under false pretenses. Creates a new Class D felony offense to use individually identifiable information for personal gain, commercial advantage or malicious harm.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Revenues – Not Significant
Increase Local Govt. Expenditures – Not Significant

Increase State Expenditures - \$16,400 / Incarceration*

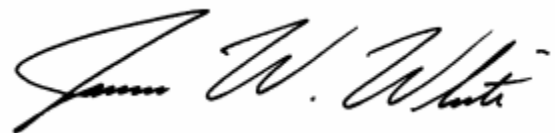
Assumptions:

- According to the Department of Correction, the average operating cost per inmate per day for calendar year 2006 is \$50.02.
- One Class D felony conviction per year for knowingly using individually identifiable information for personal gain, commercial advantage or malicious harm with 0.6 years time served (219.15 days). The cost per inmate is \$10,961.88 (\$50.02 x 219.15 days).
- One Class E felony conviction per year for knowingly violating the privacy protection for individually identifiable health information under false pretences with 0.3 years time served (109.58 days). The cost per inmate is \$5,481.19 (\$50.02 x 109.58 days).
- According to the U.S. Census Bureau, population growth in Tennessee has been 1.09% per year for the past 10 years. No significant incarceration cost increase will occur due to population growth in this period.
- There will not be a sufficient number of prosecutions for local governments to experience any significant increase in revenues or expenses.

**Tennessee Code Annotated, Section 9-4-210, TCA, requires that: For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated from recurring revenues shall be based upon the highest cost of the next 10 years.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director